

CIRCLE C RANCH
Circle C Homeowners Association
Board of Directors
Report to the Members
February 2009

This is the Annual Report of the Board of Directors of the Circle C Homeowners Association. In this report we provide an overview of the activities and achievements of 2008 for the Association, as well as an outline of our proposed activities and goals for 2009. We believe that 2008 was a year of significant growth and progress for the Association, and we are committed to continuing that progress in 2009. Our primary goal remains preserving and improving the Circle C Ranch subdivision.

REPORT FROM THE PRESIDENT, Rob Johnson

Greetings, Circle C. It's hard to believe that another year has passed. This was a year of completion and preparation. It was also a year in which your Board took steps to strengthen the Association and improve its internal workings. Of course, all of these internal improvements were in preparation for the exciting task ahead – construction of the new swim center.

It has been a good year at the swimming pool, with our first full season of two exciting additions: the baby pool and our new Swim Director, Brandon Ducote. The baby pool has been a very popular addition to our facilities, judging by the smiles and laughter. Brandon has also been a tremendous addition to our staff. He has been proactive in finding opportunities to save money on budgeted projects so we can provide added amenities for the same price, and has kept a close eye on equipment maintenance to hold down costs and minimize pool closures. Improvements to the pool this year include the addition of the sand volleyball court, the shower tower, new shade structures and furniture, and wi-fi networking. With new improvements planned for 2009, the swim center will continue to be the premier community amenity in Southwest Austin.

When the year began, the Board was preparing to spend the bulk of the year designing and beginning construction on the new pool facility. Instead, the Board decided that it would only be prudent to secure an independent legal opinion before accepting the transfer of the land and amenities fund from the Bankruptcy Court. Everyone else involved in the transaction had their own lawyers, and it just didn't make sense to move forward until we knew that the interests of the Association were being similarly protected. We secured an extension of the amenities transfer to allow us time for a full, independent legal review. The due diligence review is substantially complete, and after addressing one or two issues the transfer should be complete. Once we have obtained the land and the amenities fund, the Board is anxious to move the project forward and add another beautiful amenity to our great community.

One of the major accomplishments this year was completing the bidding process for the landscaping contract. Without a doubt, the landscaping contract is the single largest expense for the Association. It also cares for our largest – in terms of size – amenity. Our landscaping is geographically large, diverse, and reaches every corner of the neighborhood. Through the tremendous efforts of a dedicated committee of volunteers, we prepared a very detailed Request for Proposal that described exactly what services we expected to be performed. Several of the bidding companies that we interviewed commented that this was the best RFP they had ever seen. Our sincerest thanks go out to the committee members who gave countless hours to the project. The Board voted unanimously to award the contract to Circle C Landscaping. Through

the bidding process, we confirmed that we have been receiving good value, and also identified and discussed some areas for improvement. The Board made adjustments to the budget to improve the irrigation system and increase the water budget. We will also continue with the landscape improvements that have been underway for the past couple of years. Rest assured, the landscaping in Circle C will continue to win awards and be recognized throughout Austin and Central Texas.

Our members in Vintage Place and Wildflower have been enjoying the new playscapes. In the coming year, our reorganized Amenities Committee will complete these pocket parks by adding features like walkways, seating and the like. We also used some extra money in the budget to install lighting in postal centers throughout the neighborhood. By using new solar power units, we were able to bring lights to postal centers that could not be wired for electricity. Particularly during the early winter evenings, these lights will be a real benefit to the portions of our community that have been checking their mail in the dark.

Major improvements have been made to our website. As we continue to use the features of the new software, communications with our members will improve greatly. We will continue to look at ways to improve communications, whether it means changes to the newsletter or developing new avenues of communication. With the immense project of building the new swim center, and issues like attendance boundaries for the new middle school facing us, communication will be vitally important for our community. We invite all questions for those who need more information, and any ideas for improving our communications.

The entire Board of Directors and I have been honored to serve you this past year. We are certainly looking forward to facing the challenges and opportunities in the coming year, and appreciate all your support and efforts in making Circle C one of the premier communities in the Austin area.

Continuing Projects or New Projects for 2009

- Amenities Transfer Agreement (land and amenity fund for the Circle C West Pool Site)
- New Roof for the Swim Center bathhouse
- Solar heating panels for the toddler pool
- Flash heater for Swim Center showers
- New benches for Swim Center
- Water meter upgrade on Escarpment Blvd.
- Addition of irrigation central control
- Turf replacement and bed upgrades
- Bollard lighting replacement along Escarpment Blvd.
- Upgrade landscape lighting on Slaughter Lane
- Sidewalk completion at SW corner of La Crosse and Escarpment
- Separate cluster mail boxes from main mail center
- Playscape Phase II (infrastructure and landscaping)

Growth of Circle C Ranch

Circle C Ranch continues to grow, with new home construction almost complete. There is a useful distinction between **lots** and **homes** for Circle C. When the developer adds **lots** to the Association we begin to earn revenue (property assessments). When a builder improves the lot and builds a home, the taxable value increases and so does the property assessment value. We have about 4,626 lots. We have 4153 homes paying full assessments. The complete build-out total of homes is approximately 4,650, so we have a few years to go before the development is completed.

How is Circle C Homeowners Association Organized?

This is a brief summary of the Circle C Homeowners Association (CCHOA). CCHOA members are the residential property owners of Circle C Ranch. Residential development within Circle C Ranch is almost complete, so most property owners are homeowners. Developers and builders own the remaining property. The essential and primary goal of CCHOA is to preserve and enhance our property values.

Defining Documents

CCHOA is defined by a set of documents initially laid out by the developer (Gary Bradley) and subsequently modified by homeowner voting. These documents include the Certificate of Incorporation, the Declaration of Covenants, and the Amended Bylaws of CCHOA. We have adopted the Model Code to set standards of ethics and behavior for volunteers and homeowners.

- Certificate of Incorporation:
<http://www.circlecranch.info/documents/AssociationDocuments/GoverningDocuments/CertificateofIncorporation.pdf>
- Declaration of Covenants, Conditions and Restrictions:
<http://www.circlecranch.info/documents/AssociationDocuments/GoverningDocuments/declartionofcovenantcircleCranch.pdf>
- Amended Bylaws of CCHOA:
<http://www.circlecranch.info/documents/AssociationDocuments/GoverningDocuments/cchoa-bylaws2007.pdf>
- Model Code: <http://www.circlecranch.info/Model-Code.asp>

Board of Directors

The members of the CCHOA elect a volunteer board of directors (BOD) to run the association. The board consists of seven people, all of whom must be property owners. Directors are elected for three year terms. We have two director seats that expire in 2009 (Cynthia Moreland and Mary Goehring). Cindy Groves, Rob Johnson and Russ Hodes' terms expire in 2010. Steve Urban and Jason Bram's terms expire in 2011.

As of this writing the CCHOA BOD has five officers: President (Rob Johnson), Vice President (Steve Urban), Treasurer (Russ Hodes), Secretary (Cynthia Moreland) and Development Officer (Jason Bram). Cindy Groves and Mary Goehring also serve on the board. You can email the board at directors@circlecranch.info

The CCHOA BOD is responsible for maintaining our common areas and enforcing architectural control standards for new construction and home improvements, and for enforcing deed restrictions. The common areas include the Circle C swim center, the playscapes in Vintage Place and Wildflower, the mail centers and many small plots of land around the neighborhood.

Financial Report

The CCHOA Treasurer has very specific responsibilities, detailed in our By-Laws (Article VIII, section 8, (d)). In particular, the duties require ensuring that our funds are collected and accounted for in the bank accounts and books, securing the annual audit, and reporting our financial condition at the annual members meeting.

In addition, the Treasurer writes this summary for the annual HOA report. Our CCHOA board also requires that the Treasurer take every reasonable precaution to ensure that we do not lose principal on any of our funds or bank accounts. In fact, we have a strong record of actually generating a modest income from interest-bearing accounts.

We have a full-time accounting service and Financial Manager who handles most of the details (accounting, billing, collections, closing documents and fees, and Reserve Funds). That company maintains a database with all of the member information and they also run our annual elections. The Treasurer works with the Financial Manager almost every week and we meet in person at least once a month, to pay monthly bills. We continue to meet with bankers, to ensure that CCHOA is getting the best rates and services for all of its accounts.

First, we are on track to end the year on budget. This year, we did not have any large capital projects. Instead, we completed more than a dozen smaller, but important projects. We continued our investment in the Swim Center and other amenities, and we still were able to contribute a proportional amount to our Reserve funds.

Second, income growth continues to slow down, as reported last year. Total Income for 2008 was \$2,379,270 (91.3% from dues). Our expenses were \$2,073,061, leaving a balance of \$306,209 in retained earnings. Our income grew 2.2% over 2007, which confirms that our non-dues income growth rate continues to decline. The non-dues income is partly from new homes joining CCHOA and from re-sales. The percentage of income from HOA dues grew by 3 points (up from 88% to 91%) in 2008, while our overall expenses grew by 12 % (\$38,000). The increase in expenses this year were primarily due to (1) keeping the pool open for the rest of the year, (2) the cost of living increase (6%), and (3) an unexpected 7-fold increase in the Texas Franchise Tax.

Third, we have carefully reviewed all of our accounts and investments this year. We are prepared to move them, if conditions warrant. We also priced services at several other banks and "Lockbox" services (collections), for better features and cost savings. We have not made any changes, to date, but we continue to look very closely at our options.

The neighborhood and the HOA have suffered from the recession. New home sales and re-sales activity in Circle C Ranch have slowed down. Most of them have taken much longer than normal to close. Most of the re-sales that should have been completed during the busy summer season have dragged on into the fall, because of the problems in the mortgage business sector. Actual overall sales were a little over half of what we saw in 2007. As a result, we had a 45% reduction of income from lower than expected Resale Certificates and Transfer fees (3% of our total 2008 income).

Our collection rate for HOA dues was higher than ever last year (99%). As a result, we only filed half as many liens this year, which is really a tribute to our very efficient Financial Manager's efforts.

During the summer, we went through a very lengthy and detailed bid process for the landscaping contract. This is our single largest contract and activity. We signed a 3-year contract, with only a 3% annual increase. See more about how the landscaping RFP and Bid process was accomplished, below.

Our Reserve Fund strategy is to grow our General Reserve fund to cover 10% of our annual expenses (one month's worth or \$200,000). The General Reserve fund is currently \$152,671 and our Swim Center Reserve Fund is \$92,502. The General Reserve and Pool Reserve funds are both for emergencies. We also started a new West Pool Reserve Fund (formerly the Amenities Fund) with \$125,000 dedicated for the new swim facility. All of these funds are in interest-bearing, liquid accounts.

We have been keeping a very close eye on the Reserve Funds and our Bank accounts, especially after the market crisis that began in September 2008. Wells Fargo has our primary checking account and it appears to be very stable. However, our Money Market and Reserve Funds are in Merrill Lynch, and it was taken over by Bank of America in October. So far, we have not seen any changes or new risks. We have not lost any principal in our accounts.

The Amenities Transfer fund is still in the hands of the Federal Bankruptcy court. We are prepared to take over that account and we will make arrangements to collect the remaining amount from about 400 homes that have not been sold (\$1,000 per house).

The Swim Center now has its own budget. Our Aquatics Manager uses it to track staffing, services, and program budgeting. This has made it much easier to identify and to control spending. It has also helped us to estimate future costs and the staffing required for the new swim center models, which the West Pool Committee has been researching. Last year, the pool budget was increased 27%. Most of the increase is tied to adding the Baby Pool, infrastructure maintenance, and staffing.

The 2008 budget funded the pool through December. However, in September the board decided to keep the pool open through the winter (11 additional weeks). The extra funds will come from programming and from the 2009 budget. Programming income (swimming lessons) is \$77,000.

Our State and Federal taxes were prepared by a new firm this year; Tilson-Lynch. They are also auditing our books. We paid a very modest federal income tax (\$3,687) on the interest earned on our bank accounts. However, our state taxes jumped up by 675%, because the law was changed in late 2006.

Previously, the franchise tax was based on federal taxable income or net taxable capital. In the past years, CCHOA only paid on 4.5% of federal taxable income or .005% of net taxable capital - whichever number was greater. In 2007, we only paid \$1,696.

However, in 2008, the calculations changed dramatically. All HOAs are now required to pay the franchise tax on 70% of gross sales, under the new laws, as opposed to a more reasonable fraction of net taxable income under the old law. Hence, we now have to pay \$11,455 (*7 times as much*) and more than 3 times more than our Federal Income Taxes!

Because our non-dues income has tapered off, we raised the cap on HOA dues by 10% (\$50/yr for most members), to keep pace with expenses. Most of the homes are now at full valuation, so we have less income growth from the newest homes. The cost of living and our direct cost of products and services from vendors and suppliers increase each year. In the past, we have contained many of these cost increases with our high growth rate, consolidation, and

aggressively renegotiating our contracts and service agreements. But, we clearly can't continue to deliver the current level of services and amenities, without small dues increases.

Our annual audit inspections took place during the summer of 2008, for the budget year that ended on December 31st, 2007. That report usually arrives in January. The CCHOA budgets and Audits are always available for inspection by any HOA member at the HOA office, during the usual office hours. All of the board members participated in preparing the 2009 budget this year. As always, we will make a more detailed report of our financial condition and answer your questions at the annual meeting in March.

Russ Hodes
CCHOA Treasurer

Operations Staff

The CCHOA BOD has two employees to manage neighborhood operations: Denise Nordstrom (operations manager) and Gale Foster. Denise reports to the President of the BOD, and Gale works for Denise. Brandon Ducote is our Aquatics Director and Pool Manager, and he reports to Denise. He has a staff of assistant pool managers and lifeguards. We have contracted with Circle C Landscape (owned by neighbor Susan Hoover) for landscaping services. We have contracted with Terri Giles of Giles & Shea for financial management including book keeping. Terri reports to the Treasurer.

Public Board Meetings

The CCHOA BOD holds public monthly meetings, currently scheduled at 7:00PM on the third Wednesday of each month. The Circle C Child Development Center has kindly allowed us to use their meeting room for BOD meetings at no charge. We allot time at the beginning of each meeting for homeowners to address the board.

Committees

The CCHOA has several active committees. They include Education, Amenities, Special Events, Safety, Community Service, Architectural Control and E-Voting. We owe significant thanks to all past and present Circle C volunteers. Circle C would not be what it is today without the volunteer efforts of hundreds of people.

Amenities Committee – The Pool Committee and Amenities Committee were merged this year into one Amenities Committee. The current members are: Tony Gendron (chair), Kristy Estrello (Vice Chair), Cari Sherlock (Secretary), Kathryn Mercer, Lora Estrada, and Mike Killeen. The Amenities Committee is currently tasked with Phase 2 of the amenities plan going forward. Jason Bram and Cindy Groves are the board liaisons, with Russ Hodes usually attending as well.

Education Committee – The CCHOA Education Committee serves our community as a working resource for those families with children attending an AISD school in our area. Currently, Circle C students attend one of three elementary schools: Clayton, Kiker, and Mills; two middle schools: Bailey and Small; and one high school: Bowie. Bob Skrobarczyk serves as the committee's chair, and members include: Jim Bailey, Andy Bennett, Delia Bustillo, Leisl Criswell, John Jolet, Elizabeth Leight, Mark Marostica, Carolyn Merritt, Joe Terracina, Jeff Walker and Marian Wallace. The board liaison is Steve Urban.

New Southwest Middle School Update

Construction

Construction on the school commenced in March 2008 and is moving at a rapid pace with a scheduled opening on target for August 2009.

Boundaries

The Facility Use and Boundary Task Force (FUBTF) are responsible for developing the attendance zone for the new southwest middle school. They are charged with assisting the Superintendent: (1) to establish parameters for ideal student assignment configuration that supports student success; and (2) to develop proposals that maximize the utilization of Austin ISD facilities.

The Facility Use and Boundary Task Force will use these ideal parameters to develop specific criteria to guide and to evaluate boundary and building-use decisions as new schools are scheduled to begin operation. In doing this, the task force will address the following issues:

- Capacity targets to ensure efficient operation of facilities;
- Stability targets for the duration of assignments with an eye toward minimizing student movement;
- Distance, travel time and safety of students getting to and from school;
- Tracking from level to level and alignment of feeders;
- Options for transfer, voluntary assignment to specialized programs or magnets;
- Projected growth and the need for future schools;
- School size recommendations; and
- Specific proposals for use of underutilized facilities.

The Facility Use and Boundary Task Force consist of both core and durational geographic members.

Core Members - Ten core members who are representative of the Austin ISD community, nine of whom were selected by the members of the Board of Trustees and one by the Superintendent.

Geographic Members - These members serve for the duration of changes directly affecting their specific area of residence. Our CCHOA Education Committee member, Liesl Criswell, was selected along with resident Ann Council, as an alternate to Liesl, for Kiker Elementary Geographic members. Another Circle C resident, Rick Gonzales, was selected as the Clayton Elementary Geographic alternate member.

The process to determine the attendance boundaries for the new school commenced with the first meeting of the Facility Use and Boundary Task Force (FUBTF) on May 22, 2008. Since then the task force has met twelve times and developed five draft boundary plans. There is currently one proposed boundary plan that is under evaluation and discussion. At this time, there is a FUBTF meeting scheduled for Tuesday November 18, 2008 to continue the boundary determination process. There are two public forums scheduled for December 2nd and 4th 2008 at locations to be announced. After that, the FUBTF will have two more working sessions on December 9th and 16th 2008 to prepare a final plan for submission to the Superintendent and School Board for approval at a January 2009 meeting.

Curriculum

The Education Committee spent a great deal of time this year discussing what we would like the new middle school to look like from a curriculum standpoint. As our world continues to grow more complex and challenging every day, we know that we must spend more time and energy educating and preparing our children to positively function in the ever changing and challenging world. We talked about the fact that while the United States spends more money per student capita than any other country in the world, we are behind most all countries in Math and Science. The committee decided that the opening of this new middle school would be an opportunity to establish the school as a math, science and engineering academy. Together, we formed a document of what our vision is for this new school and presented it to AISD staff that embraced it and is willing to support it. This idea fits into the newly developed and implemented AISD's Strategic Plan for Middle Level Education Plan, Strategy Number: 6, Plan Number: 3.

The following is the CCHOA Education Committee's Vision for the New Southwest Middle School.

CCHOA Education Committee Vision Southwest Middle School

The entire Southwest Austin community is looking to the opening of the new Southwest Middle School with great anticipation. We are also delighted that the District is focusing attention on middle schools with the creation of the Middle Level Education Plan. The City of Austin, AISD and our children have an enormous opportunity for success in how that plan is implemented here with the Southwest Middle School.

As members of the CCHOA Education Committee, we are looking forward to an open partnership with AISD so that we can provide concrete input during this critical beginning stage and the future. We strive to work together under a unified vision to make the Southwest Middle School a flagship for the District, giving our children an incomparable middle school education.

The CCHOA Education Committee members are actively involved in our PTAs and CACs at all levels - elementary, middle and high school. Our members have also volunteered and participated in the 2004 and 2008 Citizen's Bond Advisory Committees for those Elections and the 2004 Citizen's Bond Oversight Committee. As an HOA, we advocated and very actively campaigned for the passage of those AISD bond programs. This new school is a result of those efforts. Our passion for this school and our children's education continues, and even before ground was broken, we started discussing the amazing but very feasible possibilities of the Southwest Middle School.

As a result of many thoughtful discussions and research, we envision:

- ◆ The Southwest Middle School designated as a Mathematics, Science and Engineering Academy;
- ◆ A visionary Principal who shows strong leadership in curriculum and staffing choices;
- ◆ A Principal who welcomes and supports close partnerships with active

parents and community members;

- ◆ All curriculum structured around expectations of high achievement for all students.

Circle C West Pool Development Committee – The current voting members for the West Pool Committee are AE Martin (Chair), Richard Scott (Vice Chair), Catherine Thurk (Sec), Ronnie Stafford, Brian Pinsky, James Moseley, Jessica Davis and Joel Pace.

* Jason Bram is now a Board Liaison and nonvoting member due to his election to the board in March. His voting position has not been filled.

Non voting members include Brandon Ducote (Aquatics Director), Russ Hodes (Board Liaison), and Jason Bram (Board Liaison).

This year the committee worked with TBG to complete conceptual drawings of the amenities site to display at the annual meeting. Along with the drawings, Chair A.E. Martin gave a presentation at the annual meeting (which can be found on the HOA website, www.circlecranch.info; residents must first log in). The committee also completed a land and tree survey with Chaparral, contracted with Horizon Environmental Services to do the environmental assessment and geological report, had a site plan prepared by CBD (Carlson, Brigance and Doering, Inc.) and met with the CDC to discuss a possible CDC on this land. The committee is currently working with Brandon Ducote on operational cost estimates.

Special Events Committee - The 2008 Special Events Committee includes residents: Melinda and Bob McKenna, Michelle Moran, Julie Arevalo, Heather Greenberg, Natalie Gauci, Daphne Bamburg, Patti Aldridge, Katy Hunt and Teodora Pogonat. New 2008/2009 members include Janet Wang and Linda Graf. The Special Events Committee had another successful year! The committee hosted the following events in 2008: Annual Easter Egg Hunt, 4th of July Parade, Capital Area Food Drive, Holiday Lighting Contest, Adult Holiday Party and Kid's Holiday Party. The Special Events committee is always looking for volunteers; please contact us at info@circlecranch.info if you are interested.

Community Service Committee – The Community Service Committee was started in the spring of 2007. We currently need volunteers to chair this committee. There are so many potential opportunities for our committee but we still need volunteers to help get it off the ground. The committee's mission statement is: *"We, the Circle C Community Service Committee, in keeping with social and moral tradition, serve all persons with dignity and respect. Through direct service, community education and advocacy, we are committed to empowering individuals and families to enhance the quality of their lives and promote lifelong learning opportunities for the residents of Circle C."* This past year the committee helped out elderly homeowners that needed transportation to the post office, the bank, and just some just needed company. The committee is made up of Circle C residents who are interested in volunteering their time for needs of the community. The Circle C Board of Directors has allotted money for the student that donates the most hours of community service for the Circle C Neighborhood. Specifically, the student will be eligible for a \$1000 scholarship!

Please consider joining and volunteering to become a mentor to our students, helping them serve others!

Architectural Control Committee – The Architectural Control Committee completed the following reviews in 2008:

New Homes:	65
Remodeling, Pools, Additions:	165

The Committee also worked on refining the design guidelines in the following areas:

- solar panels
- pole lighting in the front yards
- additions to existing homes

The ACC is comprised of A.E Martin, former CCHOA Board member and engineer, Trent Rush, Principal, TBG Partners, ASLA, and Laura Sherman, Architect, AIA.

Ad Hoc Landscape Contract Committee - In 2008, an Ad Hoc Landscape committee was formed to prepare a Request for Bids Proposals (RFP), which went out to landscaping companies for the Circle C Ranch landscaping contract.

Cynthia Moreland was the board member heading up that committee, with Tony Gendron, Pat Northington, Sam Irwin and Jackie Trojanowski, as committee members. This committee worked for well over 11 months, reviewing landscape specifications, developing bidding criteria and a bid package, and developing a methodology to obtain bids for landscape services that would be competitive. There were 15 qualified area landscape companies who submitted proposals to this bid. After several weeks of evaluations, onsite meetings with vendors and tours of various properties the Board choose Circle C Landscape as the provider of landscaping services for 2009-2012.

Annual Meeting for Members

The CCHOA holds our annual meeting in March. The annual meeting agenda includes election of directors, an income and expense report to members, and an operational report to members. The 2009 Annual Meeting will be held on Wednesday, March 25 at 6:30pm at Kiker Elementary. We encourage everyone to attend this meeting as a 10% quorum is necessary for holding the meeting.

Communications

There are several ways to contact the association to ask questions, make a request or lodge a complaint. You can email or call our manager, Denise Nordstrom. Her phone number is 512-288-8663, and her email address is info@circlecranch.info. You can speak to the Board at the monthly board meeting or send them an email at directors@circlecranch.info.

We have several ways we use for neighborhood communications. Our web page is at <http://www.circlecranch.info>, we publish a newsletter monthly, sent to your home by first class

mail. We maintain ten marquees around the neighborhood for announcements. We have a slowly growing list of email addresses for neighbors for announcements. We also schedule occasional town hall meetings on specific subjects (ie schools, trash collection, amenities, etc).

New Web site

New features: Advertising, Documents, Forms, Photos, Privacy, Searches and Security

The new CCHOA web site (www.circlecranch.info) was launched in May. The primary reason was to enable more automated services and to put all of our HOA documentation on-line. Much of the information is visible to anyone, including News & Announcements, Architectural Review Process, Newsletters, Pool hours, Photos and basic HOA Contact information.

For the first time, ever, we now have all of the HOA Governing documents available to read or download, in one convenient place. You will find our Declarations, our Bylaws, and 51 amendments (at least one for every sub-division within Circle C Ranch). In other words, anyone can learn a great deal about Circle C Ranch and our HOA, even without being a member or logging on to the web site. For the rest, CCHOA members will have to sign in (two accounts per house).

After you log in, you will find a lot more available. Better yet, nothing at that hidden level can be found outside of the web site. In other words, you can't search for member information from Google or Yahoo. It is private and secure. You can now look-up or write to other member, unless they have hidden their contact information. You can access all of the on-line archives, documents, and services. You can download and print out an application for an architectural change or other HOA forms; (1) to ask a question without writing an email or calling on the phone, (2) to report a Deed Violation, (3) to post a Classified Ad, or (4) to contact one of the directors.

You can find our landscaping reports, Policies and Guidelines, and even a Welcome Packet. Plus, you can use the very powerful and popular **SEARCH** function, which can direct you to almost any document, instantly.

We will be implementing on-line advertising, as well, to help defray the operating costs of the web site. The advertising banner will appear under the "Your Community Page".

If you have not already signed up for the new website, please do so by logging on to: www.circlecranch.info – you may include your email address so that we can build up the homeowner email database and send timely information about HOA news and events.

Circle C Commons Areas

Swim Center Report

Programs

Swim Lessons were offered throughout the 2008 summer season with over 680 kids participating in group lessons and nearly 800 kids took advantage of private lessons at the pool. This summer was the first season for the swim center to offer both a youth and adult swim conditioning class. These classes provided a more individualized approach to organized swimming at the swim center.

The Circle C Seals enjoyed another successful season with over 200 kids competing against other Austin area teams and eventually took 3rd place in overall competition.

During the summer 50-100 residents would come to the pool the first Saturday of each month to watch a free family movie. This event was sponsored by Austin Real Estate Partners.

Party packages were offered throughout the summer to make having a birthday party or club event at the swim center easy and worry free.

Both the Kaleidoscope (Child Development Center Summer Camp) and Voyager (Kiker Elementary Camp) camps enjoyed utilizing the pool during the summer. These programs provide summer time fun for Circle C kids. Each camp has anywhere from 45-65 children who come and enjoy the facility twice weekly for either a 1.5 or 2 hours.

St. Andrews High School is utilizing the pool for 11 weeks during November, December, January, and February. Fees collected from the high schools use of the pool helps offset winter time operational costs. In addition Bowie High School, Rogue Training and Tri Zones TriAthlete training group have also contracted with the HOA to use the pool in the winter time.

Dream of Hopes- Special Olympics training group continues to train at the Circle C Swim Center in preparation for their championship meet.

Amenities

The new sand volleyball court is particularly popular with families and showering afterwards in the new solar shower seems to be catching on.

Wireless internet was installed at facility for resident use, so now residents can surf the web while enjoying the swim center amenities.

Two 20 foot Funbrella shade structures were installed near the front entrance to the swim center increasing the amount of shade available for residents

Four new picnic tables and over 200 new lounge chairs were purchased to add to the seating capacity around the pool.

A new card activated gate access was added to the basketball/volleyball court area, so residents can access these areas when the pool is closed.

A new ADA lift was installed pool side to assist residents with entering and exiting the pool.

A multi-camera security system is in place to digitally record events at the pool.

2008 Landscape Maintenance and Improvements

All improvements follow the long term plan adopted for landscape improvements in Circle C Ranch and adhere to the Green Community Landscape model which specifies drought tolerant vegetation, drought tolerant turf, diversified trees, water conservation and sustainable plantings.

--Renovation of the Escarpment Slaughter Intersection, including new trees, native Texas roses, native plants and grasses installation of zoysia sod at the median and east side. Irrigation reset and repairs as necessary.

--Turf Improvements to include new turf at Escarpment and La Crosse in medians and north side toward Park West Past. Installation of native grasses and beds on top of berms and irrigation reset and repair as necessary.

--Turf Improvements at Eclipse Pocket Park

--Addition of beds along Escarpment, south of La Crosse to Old Harbor, east and west sides

--Addition of stonework in selected areas including Dahlgreen, Eclipse, and Park West

--Addition of stonework and native plantings at postal areas in Circle C West

--tree treatment, pruning and deep root feeding as necessary on shade trees throughout the neighborhood.

Commercial Development Update Stratus Properties

The Circle C Homeowners Association has been working closely with Stratus Properties on the future development of Tract 107, located on the southwest corner of MoPac and Slaughter Lane.

The development will be called Parkside Village and will include a 37,000 s.f. Alamo Draft House as the anchor tenant. The site will also include restaurant and retail pad sites. The overall design will comply with the Green Building Covenant and the development standards that were adopted by Stratus and the City of Austin in 2002, along with the design guidelines of the Circle C Commercial Community Association. These are the design guidelines and standards that have been applied to Escarpment Village. The new development will use similar stone, architecture, roof materials, signage, lighting, walkways and landscaping.

Steve Urban, Vice President of the CCHOA Board of Directors serves as the CCHOA representative to the Architectural Control Committee of the commercial association.

In conjunction with this and future non-residential development, a water line is being installed from Tract 107 south to the MoPac/La Crosse intersection. In conjunction with the water line, Stratus has agreed to work with the CCHOA on the following:

- development of a landscape plan and landscape installation for the medians on Slaughter between MoPac and Beckett
- stub out of a concrete trail for the Parks Department that may connect the east and west sides of MoPac in the future
- installation of a wrought iron fence on Corrientes Cove in front of the existing filtration pond
- stub out of a water meter for landscape purposes at the MoPac/La Crosse intersection
- replacement landscaping at the MoPac/La Crosse intersection
- other conditions that apply to the construction process that limit the impact on adjacent neighbors

If you have any comments concerning this development, please communicate them via email to the CCHOA (info@circlecranch.info).

Circle C Homeowners Association

Calendar of Events 2009

February 2009	CCHOA Annual Report in February Newsletter	
February 2009	First 1/2 year assessment mailed.	Due March 1 st
March 2009	Board of Directors Candidate Forum.	Details to be determined.
March 16, 2009	Swim Center opens	
March 25, 2009	2009 Annual Meeting	6:30pm-9:30pm Kiker
April 11, 2009	Easter Egg Hunt	9:30am to 11am CDC
April 12, 2009	Pool closed for Easter Holiday	
April 18, 2009	Wildflower Seed Planting Day	2pm to 5 pm
April 25, 2009	Community Wide Garage Sale	8am to 5 pm
July 2009	Second 1/2 year assessment mailed.	Due August 1 st
July 4, 2009	Community Parade	10am Pool Plaza
December 5, 2009	Kid's Holiday Party	2pm to 4pm CDC
December 18-20	Holiday Lighting Contest	Participants to register
December 20, 2009	Adult Holiday Party	7pm to 11pm LBJWFC

Board of Directors Meetings, 3rd Wednesday of every month, 7:00pm at the Child Development Center

Swim Center Events – link on website to all swim center information

(http://www.circlecranch.info/link/linkshow.asp?link_id=164811&assn_id=14837)

CCHOA office will be closed on New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Eve, and Christmas Day.

***All dates are subject to change.

2009 CCHOA INCOME BUDGET

Category	Subcategory	
Homeowner Income	Homeowner Dues	\$2,051,814.45
Homeowner Income	Resale Certificates	\$57,000.00
Homeowner Income	Transfer Fees Income	\$55,000.00
Homeowner Income	Late Fees Collected	\$10,000.00
Homeowner Income	Lien Fees Income	\$1,000.00
<u>Homeowner Income</u>	<u>Filing Fee Income</u>	<u>\$750.00</u>
Homeowner Income Total		\$2,175,564.45
<u>Architectural Review Income</u>	<u>Architectural Review Income</u>	<u>\$32,000.00</u>
Architectural Review Income Total		\$32,000.00
Rental Income	Office Rent	\$3,120.00
<u>Rental Income</u>	<u>Grill Rent</u>	<u>\$8,400.00</u>
Rental Income Total		\$11,520.00
Swim Center Income	Pool Programs	\$66,300.00
Swim Center Income	Retail Merchandise	\$200.00
Swim Center Income	Birthday Parties	\$3,665.00
<u>Swim Center Income</u>	<u>Guest Fees/Facility Rentals</u>	<u>\$18,000.00</u>
Swim Center Income Total		\$88,165.00
Other Owner Landscape Reimbursements		
Stratus Properties Landscape Reimbursement		\$97,000.00
<u>City of Austin Landscape Reimbursement</u>		<u>\$17,600.00</u>
Other Owner Landscape Reimbursements Total		\$114,600.00
<u>Miscellaneous Income</u>	<u>Interest Income</u>	<u>\$25,000.00</u>
Miscellaneous Income Total		\$25,000.00
Grand Total		\$2,446,849.45

2009 CCHOA EXPENSE BUDGET

Category	Subcategory	
Commons Area Services	Landscape Maint Contract	\$679,835.39
Commons Area Services	2008 Land Additions	\$9,000.00
Commons Area Services	Landscape Repairs	\$49,000.00
Commons Area Services	Landscape Water Utilities	\$180,000.00
Commons Area Services	Landscape Electric Utilities	\$35,000.00
Common Area Services	Tree Pruning	\$15,000.00
Commons Area Services	Fence Repairs & Maint	\$7,000.00
<u>Commons Area Services</u>	<u>Electrical Repairs & Maint</u>	<u>\$12,000.00</u>
Commons Area Services Total		\$986,835.39
Swim Center Compound	Water Utilities	\$18,000.00
Swim Center Compound	Natural Gas Utilities	\$20,000.00
Swim Center Compound	Electric Utilities	\$29,000.00
Swim Center Compound	Telephone Utilities	\$2,500.00
Swim Center Compound	Contract Landscape Repair	\$21,109.00
Swim Center Compound	Non-contract Landscape Repair	\$4,000.00

Swim Center Compound	Bldg Maintenance	\$17,100.00
Swim Center Compound	Pool Maintenance	\$35,850.00
Category	Subcategory	
Swim Center Compound	Pool Supplies	\$13,500.00
Swim Center Compound	Retail Merchandise	\$300.00
Swim Center Compound	Special Events for lifeguards	\$600.00
Swim Center Compound	Swim Center--Staff	\$197,000.00
Swim Center Compound	Swim Center--Program Staff	\$28,600.00
Swim Center Compound	Payroll Taxes	\$17,000.00
Swim Center Compound Total		\$404,559.00

<u>Architectural Review Expenses</u>	<u>Architectural Review Expenses</u>	<u>\$17,400.00</u>
Architectural Review Expenses Total		\$17,400.00

Financial Management	Management Services	\$81,000.00
Financial Management	Resale Certificate	\$8,125.00
Financial Management	Lien Filing Administrative Fees	\$500.00
Financial Management	Bank Fees	\$2,500.00
Financial Management	CPA/Audit	\$6,500.00
Financial Management Total		\$98,625.00

<u>Legal Services</u>	<u>Legal Services</u>	<u>\$7,500.00</u>
Legal Services Total		\$7,500.00

Taxes	Property	\$12,000.00
<u>Taxes</u>	<u>Income</u>	<u>\$15,200.00</u>
Taxes Total		\$27,200.00

Insurance	General, Prop, Boiler & Auto, umbrella	\$40,000.00
Insurance	D & O Insurance	\$1,800.00
<u>Insurance</u>	<u>Worker's Comp</u>	<u>\$11,500.00</u>
Insurance Total		\$53,300.00

Neighborhood Operations	Deed Restrictions	\$3,000.00
Neighborhood Operations	Printing	\$10,000.00
Neighborhood Operations	Web Operations	\$2,500.00
Neighborhood Operations	Community Events	\$24,000.00
Neighborhood Operations	Holiday Lighting	\$10,000.00
Neighborhood Operations	Postage/Delivery	\$17,000.00
Neighborhood Operations	Neighborhood Directory	\$7,000.00
Neighborhood Operations	Office Equipment	\$3,500.00
Neighborhood Operations	Office Repairs & Maintenance	\$3,500.00
Neighborhood Operations	Office Supplies	\$4,000.00
Neighborhood Operations	Phone	\$2,700.00
Neighborhood Operations	Neighborhood Maintenance/Repairs	\$22,500.00
Neighborhood Operations	Parking Lot Maint & Dumpster Expense	\$12,500.00
Neighborhood Operations	HOA Meetings	\$5,000.00
Neighborhood Operations	Awards	\$1,200.00
<u>Neighborhood Operations</u>	<u>Operational Expenses--Misc</u>	<u>\$1,000.00</u>
Neighborhood Operations Total		\$129,400.00

Management Staff	HOA Office Personnel	\$161,363.75
Management Staff	Payroll Taxes	\$12,200.00
Management Staff	Insurance Reimbursement	\$6,300.00
Management Staff	Staff Education and Skills Enhancement	\$3,500.00
Management Staff Total		\$183,363.75

Community Enhancement	Consulting/Donations	\$5,500.00
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Community Enhancement	Association Memberships	\$1,000.00
Community Enhancement Total		\$6,500.00

Category	Subcategory	
Reserves (General)	General Reserve Fund Addition	\$120,000.00
Reserves (West Pool)	Circle C West Pool Reserve Fund	\$125,000.00
Reserve Fund Additions Total		\$245,000.00

Grand Total **\$2,159,683.14**

Retained Earnings \$287,166.31

Cash in Bank (Carryover 2008)

Reserve (Swim)	\$92,728.21
Reserve (Gen'l)	\$153,033.80
Reserve (Amen)	\$125,000.00
Total Cash in Reserves	\$370,762.01

2009 Capital Budget Projects

Landscape - Water Meter Upgrade Escarpment	\$18,000.00
Landscape - Irrigation Central Control	\$20,000.00
Landscape - Turf Replacement	\$30,000.00
Landscape - Bed Upgrades	\$22,000.00
Landscape - Outlaying Area Upgrades	\$5,000.00
Electric - Bollard Lights Replacement	\$16,000.00
Electric - Slaughter Lighting	\$10,000.00
Total Landscape & Electric Projects	\$121,000.00
Swim Center - Solar Panels for Toddler Pool	\$13,500.00
Swim Center - Flash heater for showers	\$4,000.00
Swim Center - Upgrade Volleyball Net	\$2,300.00
Swim Center - Furniture Bench Seats	\$10,000.00
Swim Center - Replace Picnic Tables	\$13,500.00
Swim Center - Fence Repair/Replacement	\$10,000.00
Total Swim Center Projects	\$53,300.00
Move mailboxes (Circle C on the Park)	\$25,000.00
Bathhouse Roof	\$75,000.00
Playscapes Phase II cont.	\$50,000.00
Sidewalk Completion	\$10,000.00
Total Neighborhood Projects	\$160,000.00

Total Capital Budget Projects **\$281,000.00**

Excess Funds \$6,166.31